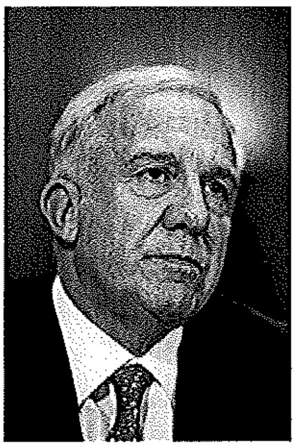
EXHIBIT 1

THE WALL STREET JOURNAL.
WSJ.com

March 7, 2013, 5:23 PM ET

Ally Financial on Failed Test: Counting is Fundamentally Flawed

ByDavid Benoit



Bloomberg

Ally's CEO Michael Carpenter

In the latest version of the Fed's stress tests of the nation's biggest banks, 17 of 18 passed. And then there was Ally Financial.

The company's Tier 1 Common ratio slumped to 1.5%, below the Fed's regulatory 5% threshold, under a "severely adverse" economic scenario. Ally was the only one to fall below that threshold, according to the Fed.

But the company has responded that it feels the tests are flawed. Here's the statement:

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Ally Financial believes that the Federal Reserve's analysis of Ally's capital adequacy for the Dodd-Frank Act Stress Test (DFAST) is fundamentally flawed and, while the Fed has not provided details, the analysis is inconsistent with historical experience in the most stressed periods in our business.

While Ally appreciates the Fed's role in ensuring that financial institutions have adequate capital during stressed situations, using flawed assumptions could have lasting adverse impacts on the economy, including ultimately causing banks to reduce certain key lending categories. For example, Ally believes the loss rates assumed for the automotive finance business are implausible, even in dire economic situations. The auto finance sector, in fact, has historically been one of the best performing asset classes during economic downturns.

Regardless of the DFAST results, Ally continues to have strong capital levels and ample liquidity to support its automotive finance operations. In addition, Ally Bank continues to be a well-capitalized bank with a leading position in the market.

Moreover, if the Fed has significant concerns about Ally's capital adequacy, it can immediately initiate a conversion of approximately $5.9 billion of existing capital that can be fully converted into Tier 1 common equity at their discretion.

THE WALL STREET JOURNAL.
WSJ.com

March 14, 2013, 5:18 PM ET

Ally Fails Stress Test After Mulligan Goes Even Worse

ByDavid Benoit

It's never good to flub the mulligan too.

Given that's what appears to be the Federal Reserve's view of Ally Financial's capital plans, the fight between the auto lender and the Fed is likely to remain heated.

In the Fed's latest assessment of Ally's plans, the bank again fell well below the regulatory minimum for its capital cushion. According to the Fed, the initial plan Ally submitted put its Tier 1 Common ratio at just 1.78% in a severely stressed scenario, compared to the 5% minimum. (The ratio is based on a bank's capital by the strictest definition compared to its risk-weighted assets.)

But this year, banks were given a mulligan to resubmit their plans if the Fed gave them a preliminary warning last week. Many analysts expected the banks to avoid failure thanks to this change. Indeed American Express fell just shy last week, at 4.97%, but passed by revising its plan and getting to 6.42%, according to the Fed.

Ally also resubmitted. Only its revised plan proved even worse in the Fed's eye. Under the adjusted plan, Ally's capital ratio sank to 1.52% in the stressed scenario.

According to a footnote in the Fed's analysis, the ratios are based on the assumption that Ally remains liable for Residential Capital, the mortgage lender that Ally has sent into bankruptcy protection in an effort to shed those liabilities. The Fed said the outcome of the ResCap bankruptcy remains pending.

"Ally Financial continues to disagree with the Federal Reserve's analysis of Ally's capital adequacy in a stressed scenario," the bank said today, reiterating it believes its well-capitalized. "Ally seeks additional transparency into the Federal Reserve's assumptions and modeled results."

More In Stress tests
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Ally, WSJ reported this morning, believes its capital position would actually be at 5.7%. The company said last week, when it was the only bank to fail the test, that the Fed may have used "flawed assumptions" in

this year's test and that its loss rate estimated for automotive loans was "implausible." The bank's release didn't mention ResCap but also said the Fed hadn't provided details at the time.

ResCap had been hit with billions of dollars worth of lawsuits over soured mortgage securities and claims to buy back shoddily underwritten loans by mortgage insurers and investors, leading to Ally to look to get away from it. The Treasury Department supported Ally on that decision.

The Federal Reserve appears to waiting for the all clear before it gives Ally credit for the move.

PRN Ally Financial Statement on Dodd-Frank Act Stress Test Results
Mar 7 2013 17:07:46

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BFW 03/07 17:14 Ally Financial Says Fed Stress Test 'Fundamentally Flawed'
BN 03/07 17:10 *ALLY SAYS LOSS RATES FOR AUTO FINANCE FED ASSUMED 'IMPLAUSIBLE'
BN 03/07 17:10 *CORRECT: ALLY CAN CONVERT CAPITAL AT FED'S DISCRETION :ALLY US
BN 03/07 17:08 *ALLY SAYS CAN CONVERT CAPITAL AT FED'S DISCRETION
BN 03/07 17:08 *ALLY SAYS IT CAN IMMEDIATELY START CONVERSTION OF $5.9B CAPITAL
BN 03/07 17:08 *ALLY SAYS CAN CONVERT $5.9B CAPITAL INTO TIER 1 COMMON EQUITY
BN 03/07 17:08 *ALLY SAYS DFAST FUNDAMENTALLY FLAWED
BN 03/07 17:07 *ALLY FINL STATEMENT ON DODD-FRANK ACT STRESS TEST RESULTS
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Ally Financial Statement on Dodd-Frank Act Stress Test Results

PR Newswire

DETROIT, March 7, 2013

DETROIT, March 7, 2013 /PRNewswire/ -- Ally Financial believes that the Federal Reserve's analysis of Ally's capital adequacy for the Dodd-Frank Act Stress Test (DFAST) is fundamentally flawed and, while the Fed has not provided details, the analysis is inconsistent with historical experience in the most stressed periods in our business.

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THE WALL STREET JOURNAL.
WSJ.com

MARKETS | March 13, 2013, 6:50 p.m. ET

Fed Sticks to Script, Bank Goes Off

By DAN FITZPATRICK And MICHAEL R. CRITTENDEN

Executives with auto lender Ally Financial Inc. sparred with the Federal Reserve last week over math used in the regulator's latest "stress test."

A private phone conversation last Thursday turned heated as the Fed declined to tell Ally how it determined that a key measure of the Detroit company's capital strength fell to 1.5% in a hypothetical steep downturn, said people with knowledge of the call. Ally's internal assessment was 5.7%.

Ally executives became angry as they asked the Fed to explain why its loan-loss estimates were so much higher than the company's. Frustrated by the Fed, the executives said there was no excuse for the lack of insight into the numbers, said a person with knowledge of the call.

REUTERS

Ally Financial said the Fed may have used 'flawed assumptions' and called its estimated loss rate for automotive loans 'implausible.'

The clash highlights disparate expectations of how much transparency should be required of the tests. Banks' difficulties reconciling their own stress-test results and the ones published by the Fed could lead to surprises Thursday, when the Fed is scheduled to disclose after the market closes whether it approved the 18 largest U.S. banks' requests to boost dividends and share buybacks.

"The Fed is taking a much harsher stance," said Greg Ketron, a banking analyst with UBS Securities LLC. "I think we are still in a time where the Fed does want to take a very critical view...because we are not all the way out of the crisis yet."

The gap between the banks' numbers and the Fed's was the widest for Ally, a lender that once was the in-house financing arm of General Motors Co. and is now 74% owned by the U.S. Treasury. It also scored the lowest of the 18 large banks subjected to the test.

But 10 other banks also had more optimistic estimates than their regulator, led by a 2.8 percentage-point gap at Goldman Sachs Group Inc. and differences of 1.8 percentage points at Capital One Financial Corp., 1.3 at J.P. Morgan Chase & Co. and 1.3 at Wells Fargo & Co. The only bank with more conservative results than the Fed's was Pittsburgh-based PNC Financial Services Group Inc.

Wells Fargo, considered one of the strongest U.S. banks, warned in a release last Thursday that "our results will differ, potentially significantly" from the Fed's largely because the regulator "does not fully disclose" its methodologies and models. "As a result, we are unable to explain the basis for any variances between our projections and the projections of the Federal Reserve."

A spokesman declined further comment.

Even the banks that emerged from last week's test with relatively large capital cushions were perplexed by the Fed's calculations, even though regulators last November published test assumptions such as a 12.1% peak unemployment rate and a roughly 50% drop in stock markets.

One potential factor, said a person familiar with the Fed's approach, is regulators tend to give banks less time to absorb the effects of losses on their balance sheets.

Some banks also were frustrated that the Fed appeared to stick to a script in a series of private conference calls last Thursday, and didn't allow for any give-and-take about the numbers. But many were wary of saying anything that might jeopardize their final results Thursday or their ability to increase dividends and buybacks.

"At the end of the day it's the teacher's grade that counts," said one bank official. "We are not going to fight the teacher."

The scripted nature of the calls was by design, said a person familiar with the regulator's approach. The Fed told its officials to handle each call that way so some banks didn't receive differing treatment and the Fed couldn't be viewed as negotiating with certain institutions, this person added.

For the past year, banks have been asking the Fed to explain more about a process that determines higher dividend payouts and larger share repurchases that potentially can lure investors to buy their stocks.

The Fed's reticence is understandable, said Guggenheim Securities analyst Jaret Seiberg. "The Fed has a point. If they explain this in detail, the banks will manage to the test and that doesn't benefit the banks and it doesn't really benefit the Fed or for systemic concerns," Mr. Seiberg said.

Regulators also resisted full disclosure of their methodology last year, irking banks that didn't perform well.

Ally said last year that the test made the company look weaker because the Fed didn't count a large slug of U.S. aid that the company has yet to convert to capital. The auto lender also said the Fed hadn't accounted for a plan to shed Ally's mortgage liabilities.

Ally was more aggressive this year, saying in a release that the Fed may have used "flawed assumptions" in this year's test and that its loss rate estimated for automotive loans was "implausible."

"Using flawed assumptions," Ally said in the release, could force banks to reduce lending and "have lasting adverse impacts on the economy."

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A version of this article appeared March 14, 2013, on page C1 in the U.S. edition of The Wall Street Journal, with the headline: Fed Sticks to Script, Bank Goes Off.

Detroit's Ally Financial only major bank to fail federal stress test; says methodology is flawed

By David Muller | dmuller@mlive.com

on March 07, 2013 at 7:42 PM, updated March 07, 2013 at 8:00 PM

DETROIT, MI - The federal government applied a stress test to the country's 18 largest banks, and 17 of them passed.

Detroit-based Ally Financial was the lone failure, because the company's tier 1 common capital ratio, which compares quality capital to risk-weighted assets, fell to 1.5 percent in the Federal Reserve's hypothetical, economic scenario. The threshold for the stress tests is 5 percent.

The Fed conducts the tests as a requirement of the Dodd-Frank Wall Street Reform and Consumer Protection Act. It's the third round of stress tests the Fed has done since 2009.

"The stress tests are a tool to gauge the resiliency of the financial sector," Federal Reserve Governor Daniel K. Tarullo said in a release. "Significant increases in both the quality and quantity of bank capital during the past four years help ensure that banks can continue to lend to consumers and businesses, even in times of economic difficulty."

Ally Financial responded to the results Thursday afternoon, calling the Fed's methodology "fundamentally flawed." Below is Ally's statement in its entirety.

"Ally Financial believes that the Federal Reserve's analysis of Ally's capital adequacy for the Dodd-Frank Act Stress Test (DFAST) is fundamentally flawed and, while the Fed has not provided details, the analysis is inconsistent with historical experience in the most stressed periods in our business.

While Ally appreciates the Fed's role in ensuring that financial institutions have adequate capital during stressed situations, using flawed assumptions could have lasting adverse impacts on the economy, including ultimately causing banks to reduce certain key lending categories. For example, Ally believes the loss rates assumed for the automotive finance business are implausible, even in dire economic situations. The auto finance sector, in fact, has historically been one of the best performing asset classes during economic downturns.

Regardless of the DFAST results, Ally continues to have strong capital levels and ample liquidity to support its automotive finance operations. In addition, Ally Bank continues to be a well-capitalized bank with a leading position in the market.

Moreover, if the Fed has significant concerns about Ally's capital adequacy, it can immediately initiate a conversion of approximately $5.9 billion of existing capital that can be fully converted into Tier 1 common equity at their discretion."

Bloomberg

Ally Financial's Capital Plan Rejected by Fed After Stress Tests

By Dakin Campbell - Mar 14, 2013

Ally Financial Inc. (ALLY), the auto lender majority-owned by the U.S., had its capital plan rejected by the Federal Reserve after regulators deemed the firm's planning process and capital ratios didn't meet standards.

Ally's Tier 1 common ratio, a measure of financial strength, was 1.52 percent in a worst-case economic scenario when taking into account the company's revised capital plan, below the Fed's 5 percent minimum threshold, according to central bank data released yesterday in Washington. That's lower than the Detroit-based firm's 1.78 percent ratio after its initial submission.

The lender must submit yet another capital plan after correcting its "deficiencies," according to the Fed, which said it objected "on quantitative and qualitative grounds."

Ally, which received a $17.2 billion bailout that left the U.S. Treasury Department with a 74 percent stake, has repeatedly clashed with the Fed over the calculation of capital ratios. Last week, after the initial release of stress-test results, the company called the central bank's analysis "fundamentally flawed." Yesterday, the lender cited the strength of its capital.

"Ally continues to have strong capital levels and ample liquidity to support its automotive-finance operations," Gina Proia, a company spokeswoman, said in an e-mailed statement."Ally Bank continues to be a well-capitalized bank with a leading position in the market.

'Implausible' Assumptions

Ally's total risk-based capital ratio, which includes common and preferred stock, was 5.96 percent under its initial plan, and 12.59 percent under the revised plan.

The lender predicted its Tier 1 common capital ratio would be 5.7 percent under the stress-test scenario last week, and said the Fed's loss assumptions for auto loans were"implausible, even in dire economic situations," according to a statement. Ally said the Fed could convert $5.9 billion of preferred shares owned by the U.S. government into Tier 1 common equity at its own discretion.

Yesterday, the lender took issue with the Fed's assumptions about loss rates for dealer floorplan lending.

Regulators, intent on preventing a repeat of the 2008 financial crisis, have run annual stress tests on the largest lenders to see how they might fare in a recession or economic shock. The Fed last week disclosed how banks performed in a hypothetical recession in which U.S. unemployment peaks at 12.1 percent, home prices fall 21 percent and stocks plunge 52 percent.

Ally plans to repay its government bailout through an initial public offering. Chief Executive Officer Michael Carpenter, 65, has put the idea on hold until after the fate of its bankrupt Residential Capital mortgage business is clear.

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